loophole. The proposal is consistent with our trade agreements and our tax treaties.

Specifically, the proposal I am filing today effectively defers any deduction for premiums paid to foreign affiliated insurance companies if the premium is not subject to U.S. tax. This is accomplished by denying an upfront deduction for any affiliate reinsurance and then excluding from income any reinsurance recovered (as well as any ceding commission received), where the premium deduction for that reinsurance has been disallowed.

The bill allows foreign groups to avoid the deduction disallowance by electing to be subject to U.S. tax with respect to the premiums and net investment income from affiliate reinsurance of U.S. risk. Special rules are provided to allow for foreign tax credits to avoid double taxation. This ensures a level-playing field, treating U.S. insurers and foreign-based insurers alike.

The legislation provides Treasury with the authority to carry out or prevent the avoidance of the provisions of this bill.

A fuller technical explanation of the bill can be found on my website.

This "deduction deferral" proposal is similar to one contained in the administration's budget this year. In an effort to combat earnings stripping, this bill uses a common-sense approach, which will effectively defer the deduction for premiums paid until the insured event occurs—thereby restricting any tax benefit from shifting reserves and associated investment income overseas.

Ending this unintended tax subsidy for foreign insurance companies will stop the capital flight at the expense of American taxpayers and restore competitive balance for domestic companies. Closing this loophole does not impose a new tax. It merely ensures that foreign-owned companies pay the same tax as American companies on their earnings from doing business here in the United States. Congress never would consciously subsidize foreign-owned companies over their American competitors. Thus, there is no reason an unintended subsidy should be allowed to continue.

Mr. Speaker, I appreciate the opportunity to address the House on this important matter and I assure my colleagues that I will continue my efforts to combat offshore tax avoidance, regardless of what industry is impacted.

MR. JOHN BARANSKI

HON. LOU BARLETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 12, 2011

Mr. BARLETTA. Mr. Speaker, I rise to honor John Baranski for his performance as an athlete, coach, and mentor, and on his acceptance into the Plains Sports Hall of Fame in Northeastern Pennsylvania.

John Baranski, who was better known as Jack, is a graduate of Coughlin High School. At Coughlin, he played tackle on both offense and defense for the Crusaders, and was part of their 1985 and 1986 Wyoming Valley Conference Championship teams. In 1987, Mr. Baranski was selected by the Wilkes-Barre Times Leader newspaper as a first-team All-Conference tackle. Because of his stellar performance in the Wyoming Valley West High School game, he was awarded the Outstanding Senior Athlete Award from the Coughlin Booster Club and the Red Pendergrass Award. Also as a senior, Mr. Baranski played in the UNICO All-Star Game.

Mr. Baranski's playing career may be over, but his knowledge and skills are present in the student-athletes he has coached over the years. He coached at Coughlin from 1992 through 1999, and now he is the offensive coordinator for the Spartans of Wyoming Valley West. During his career as a coach, his teams have combined for seven District 2 AAAA championships and five Wyoming Valley Conference championships. He has also served as president of the Ed/Stark Little League in 2009, and of the West Side Little League in 2010 and 2011.

Mr. Speaker, John "Jack" Baranski, a product of Plains youth football and basketball, has certainly proven himself worthy of being called a "Hall of Famer" through his years of outstanding performance as a player and coach.

HONORING PAMELA ANN COCHRANE OF LAKEPORT, CALIFORNIA

HON. MIKE THOMPSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 12, 2011

Mr. THOMPSON of California. Mr. Speaker, I rise today in recognition of Mrs. Pamela Ann Cochrane, a resident and servant of the County of Lake for over three decades and among the most cherished and appreciated members of her community.

Mrs. Cochrane has been a public servant for 40 years, beginning her career of service in Lake County as an accountant in the Auditor-Controller's Office in 1980. Since that time her responsibilities and contributions have only increased. She became a supervising accountant in 1988, was promoted to Chief Deputy Auditor-Controller in 1994, served as Interim County Clerk/Auditor-Controller in 1998, and was successfully elected by the citizens of Lake County to the post of County Clerk/Auditor-Controller in 1998, 2002, 2006, and 2010.

Always a leader who valued versatility and adaptability among her staffers, Mrs. Cochrane made good on her campaign promise to "cross train all employees of the Auditor-Controller's Office," and is regarded by many of her colleagues and peers as an outstanding boss and coworker, and a great friend. She has always been quick to champion the accomplishments of her staff and department, which has won awards for excellence in financial reporting from the Government Finance Officer's Association and the State Controller's Office.

Mrs. Cochrane is also a model citizen and an enduring participant in a number of community organizations and groups. She is treasurer and a long-time member of the Lake County Hospice Board of Directors, a very active member of the Lakeport Rotary Club, a proud mother of three and grandmother of four.

Therefore, Mr. Speaker and colleagues, I believe it is appropriate at this time that we commend and applaud the tremendous contributions that my friend, Mrs. Cochrane, has made to the County of Lake and her fellow members of that community. We wish to extend to her our deepest gratitude and best wishes for many years of happy retirement with her husband, James.

EXTENDING THE GENERALIZED SYSTEM OF PREFERENCES

SPEECH OF

HON. GENE GREEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 11, 2011

Mr. GENE GREEN of Texas. Madam Speaker, I rise in support of H.R. 2832, legislation that will extend the Trade Adjustment Assistance program and the 2009 TAA reforms for workers, firms, and farmers through December 31, 2013.

Since its creation nearly half a century ago, TAA has helped millions of Americans whose jobs were lost to outsourcing, off-shoring, and increased foreign competition.

For many, TAA is a critical lifeline that provides retraining and education, health insurance assistance, and other crucial support initiatives to workers affected by international trade.

TAA also helps small businesses and farmers become more competitive through the TAA for firms and TAA for farmers program.

This legislation will also extend important reforms made to TAA in 2009, but were allowed to expire in February of this year. These improvements include guaranteeing access to training for American service and manufacturing workers, as well as allow workers to qualify for TAA benefits if their firms shifted production to any country, including China and India, not just countries with which the United States has entered into a free trade agreement.

More than 185,000 additional trade-impacted workers have become eligible for training opportunities and benefits under the 2009 reforms.

In my state alone, over 20,000 workers have benefited from TAA's services and support since May 2009. Nationwide, nearly half a million Americans have benefited from TAA over the past two years.

TAA has historically received bipartisan support in this chamber. I hope my colleagues on both sides of the aisle will join me and support this legislation.

Unfortunately, programs like TAA would not be necessary if this Congress and this Administration would push for trade deals that would focus on job creation here at home.

The history of free trade agreements shows that the promised benefits of FTAs, be with Mexico and NAFTA, or with China and Most-Favored-Trade Status, have not materialized.

In fact, it has been the opposite.

Soon after the enactment of NAFTA in 1994, six factories in my district in Houston were shut down. The thousands of Houstonians who were laid-off were able to get assistance through TAA, but would have much rather have kept their jobs than seen their livelihoods moved to Mexico.

Before NAFTA came into effect, the United States had an annual trade surplus of over $1 billion with Mexico. Last year, our nation's trade deficit with our southern neighbor reached $66 billion.

The story is similar with China. In 1999, the year before permanent MFT status was granted on China, our trade deficit was $68 billion.